APEP

ASSOCIATION DES PRODUCTEURS EUROPEENS DE POTASSE
EUROPEAN POTASH PRODUCERS ASSOCIATION

Securing Europe's Potash Fertiliser Base: A Strategic Pillar for Food Security, Competitiveness, and Geopolitical Resilience

Introduction

The European Potash Producers' Association (APEP) supports the European Commission's forthcoming **EU Fertiliser Action Plan** as a means to strengthen the EU potash fertiliser industry and enhance its competitiveness, thereby ensuring long-term supply security for farmers. The strategic importance of European potash fertiliser production for the resilience of the EU food system should be explicitly recognised in the Action Plan.

Context: EU Potash Supply Security in a Volatile Geopolitical Context

The current conflict in the Middle East and the disruptions in the Strait of Hormuz clearly highlight the vulnerability and dependencies of global supply chains, particularly for fertilisers and other energy-intensive products.

The current blockade of the Strait of Hormuz **does not directly affect the potash market**, as major producers are located in Canada, Russia, Belarus, and Germany and are therefore able to continue supplying global markets. Production in Israel and Jordan also remains unaffected at this stage.

Nevertheless, the situation clearly underscores the need for the EU to maintain and further strengthen its own potash production capacities, and to support domestic production in order to safeguard long-term supply security.

Potash Mining in the EU: A Strategic Asset for Food Security

Potash (K) is one of the three essential plant nutrients (N, P, K) underpinning modern agriculture and food security. It plays a critical role in efficient nutrient uptake, enabling the more effective and sustainable use of other nutrients. Unlike nitrogen fertilisers, which can be synthesised from atmospheric nitrogen, potash is a **finite mineral resource** that must be extracted from natural underground deposits located in only a few regions worldwide, giving it significant strategic and geopolitical importance.

The EU is in the **fortunate and unique position** to have **sufficient domestic production of potash fertilisers** through mining operations in two Member States, Germany and Spain. This local production base ensures a secure supply of potash fertilisers for Europe's farmers under

current conditions. However, the EU's potash mines are currently at risk. High energy and CO2 costs, excessive administrative burdens, and overly complex permitting procedures are undermining their competitiveness and, if left unaddressed, could threaten their long-term viability.

The sector is set apart from most other industries by exceptionally high capital requirements and lengthy permitting procedures, which make developing new mining operations extremely challenging. Any closure would therefore be practically **irreversible**, permanently reducing European production capacity and **undermining the long-term supply security that farmers depend on**.

Beyond agriculture, potash production is directly tied to the manufacture of pharmaceutical-grade potassium chloride, used in infusions and other critical medical applications. A decline in potash fertiliser production would therefore also threaten the availability of a substance already recognised on the list of critical medicines, extending the consequences of inaction into healthcare.

Canada, the United States, and Brazil have already recognised potash as a **critical or strategic raw material** in their national mineral policies. The EU has yet to afford it comparable status, a gap that warrants urgent attention.

Key Recommendations

The upcoming EU Fertiliser Action Plan should include the following measures to restore competitiveness and prevent further cost increases in the EU potash industry.

Asks for the Fertiliser Action Plan

1. Include a **dedicated potash chapter** in the Fertiliser Action Plan, reflecting the fact that different fertilisers have distinct supply chains, risk profiles, and strategic considerations that require tailored policy responses rather than a one-size-fits-all approach.
2. Recognise potash as a **strategic mineral** in the Fertilizer Action Plan and as a **critical molecule** in the upcoming Critical Chemicals Alliance.
3. Recognise the **four major potash mines** in the EU, three in Germany and one in Spain, as **"strategic sites"** whose continued operation is essential to European food security and fertiliser supply resilience.
4. Propose **restrictive trade measures on Russian potash fertilisers**, such as tariffs or sanctions, to reduce strategic dependency and ensure that EU farmers are not inadvertently financing the war in Ukraine.

5. Improve the **accuracy of European Commission market analysis on potash**, including in EU fact sheets and assessments such as the Critical Raw Materials Assessment, to ensure that policy decisions are based on a reliable and up-to-date picture of the market.

Regulatory Barriers to Address

The following regulatory constraints fall across different pieces of EU legislation but have a direct bearing on potash production and should be considered in the context of the Fertiliser Action Plan.

1. Include potash extraction activities within the scope of the announced targeted revision of the **EU Water Framework Directive**, to provide regulatory clarity for the industry and prevent disproportionate compliance costs that could threaten the viability of existing operations.
2. Extend the current level of **free emissions allowances** under the EU Emissions Trading System to 2040 and halt the **heat benchmark reduction**, in recognition of the technical limitations that prevent significant decarbonisation in the potash sector before the mid-2030s.
3. All potash production activities, both underground and above ground, should be eligible for **indirect cost compensation**, and this coverage should be extended to 2040 in line with free allowances, given the absence of any effective alternative carbon leakage protection instrument.
4. Remove disproportionate REACH requirements, greater coherence between Fertilising Products Regulation, Classification, Labelling and Packaging (CLP) and REACH, and simplified labelling and compliance rules, to ensure that regulation of fertilising products remains proportionate, workable and conducive to innovation.
5. A revision of the **Habitats Directive and Birds Directive** should address the simplification of permitting procedures for potash mining, reducing unnecessary administrative burdens without compromising environmental objectives.
6. New **occupational exposure limits** set at EU level, including under the Carcinogens Directive, should fully reflect the specific conditions of underground potash mining and the practical and socioeconomic consequences of any new requirements.
7. Urgent action is needed **to reduce natural gas costs and electricity prices** for the potash sector, where EU energy costs remain significantly higher than in other producing countries. In parallel, the Commission should initiate a dialogue on how to develop a lead market for low-carbon potash fertilisers over the longer term.

Conclusion

Europe's potash industry is a strategic asset that cannot be rebuilt once lost. The combination of irreversible closure risks, geopolitical vulnerabilities, and an accumulating regulatory burden makes the case for action both urgent and clear.

The Fertiliser Action Plan represents a timely opportunity to put potash on the same footing as other critical inputs that major economies have long recognised as strategically essential. APEP calls on the European Commission to seize this moment by dedicating specific attention to potash within the Plan, addressing the regulatory constraints that threaten the viability of existing operations, and laying the groundwork for a competitive, low-carbon European potash industry for decades to come.

The cost of inaction is asymmetric: once a mine closes, the capacity is gone. The time to act is now, while Europe still has a domestic potash base worth protecting.